

News from Ed Markey

United States Congress

Massachusetts Seventh District

FOR IMMEDIATE RELEASE

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July 28, 2005

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REP. MARKEY: ENERGY BILL A “HISTORIC, MORAL AND POLITICAL FAILURE”

***Taxpayers Asked To Pick-up the Tab for More Than \$32 Billion In New Subsidies to
Big Oil, Gas, Coal, and Nuclear Companies***

Washington, D.C. – Despite efforts by House Democrats to create an Energy bill that fosters fuel efficiency, improves the use of renewable energy resources and decreases the U.S. dependency on foreign oil, today the House of Representatives passed an Energy Bill (H.R. 6) (275-Y, 156-N) which fails the American public across the board.

Representative Edward J. Markey (D-MA), a senior Democrat on the Energy and Commerce Committee and Energy Conference Conferee, made the following remarks about the energy bill.

“This bill is a historic failure. It does nothing to reduce the price of gas and remains silent on two critical issues: adopting minimum efficiency standards for our cars and trucks in order to reduce our dependency on foreign oil, and setting minimum renewable energy standards for our utilities to bring America’s sources of electricity into the 21st century.

“This bill is silent on vehicle fuel efficiency. It fails to address the principal reason for America’s increasing dependence on imported oil. America is vulnerable because we have only 3% of the world’s known oil reserve. OPEC controls two-thirds of the world’s oil reserves, holding the U.S. hostage with rising oil consumption. Since 70% of the oil we consume goes into gasoline tanks, by making our cars and SUVs more fuel efficient, we could reduce our demand and bring OPEC to its knees. Instead, Congress approved an extension of a dual-fuel vehicle loophole that will only take us backwards. At the same time, we have failed to repeal the \$35,000 tax credit for gas guzzling Hummer 2’s.

“This bill is silent on a “renewable portfolio standard.” Congress could have given a mandate to utilities to promote renewable sources of energy.

“Congress is going to hand over \$14 billion in tax breaks, most of them to the oil and gas companies, the utilities, the nuclear industry and the coal industry – wealthy mature industries that do not need tax incentives. Renewable technology and energy efficiency programs are left with a few scraps.

“In 2005 we should be talking about the new agenda for the future of American energy. Instead we have created a bill that is more appropriate for 1905 -- focusing on coal and oil. This bill is a political, moral, and technological failure. Instead of harnessing the power of American technology

and inventing our way into the future, this bill embraces the past and weakens environmental protections. Republicans think the best way to finance the investments of big oil, nuclear, coal and gas companies is to pick the pockets of American taxpayers who are already feeling the crunch of skyrocketing energy prices.”

While American taxpayers prepare to shoulder Energy bill which will cost \$85 billion, including \$32 billion in subsidies to the big oil, nuclear, coal and gas companies, the world's biggest oil companies are setting new profit records. Just this week BP announced a record in second quarter profits of \$4.98 billion. Exxon Mobil Corp., the world's largest oil producer, also announced skyrocketing profits, their second-quarter profit rose 32 percent to \$7.64 billion. Texas-based Exxon Mobil broke history records with sales rising 25% to \$88.6 billion.